



CITY COUNCIL

Work Session

*Work Session
Penn Room*

*Monday, May 18, 2009
7:00 P.M.*

- I. Call To Order 7:00 p.m.
- II. Managing Directors Report 7:05 p.m.
- III. National Health Insurance Act (R. Stouffer) 7:10 p.m.
- IV. Rental Registration Process - Zoning 8:45 p.m.
 - 1. Review Flow Chart outlining Rental Registration Process
 - 2. Review list of properties approved by the AHO to date
- V. Discussion Fee Increase Recommendations
- VI. Review Business Priv. Tax Ordinance
Discussion on adding revocation language
- VIII. Adjourn

NOTE: Properties of Merit reception scheduled for Thursday, May 28th at 7 p.m. at the Sovereign Performing Arts Center, on North 6th Street

City Council

Work Session

Monday, April 20, 2009

Councilors Attending: V. Spencer, S. Fuhs, M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, M. Baez, J. Waltman

Others Attending: L. Kelleher, C. Younger, R. Hottenstein, L. Murin, F. Denbowski, M. Reese, T. Close, S. Perry from Maximus, W. Heim, B. Reinhardt

Mr. Spencer called the work session to order at 7:05 p.m.

Managing Director's Report

The Managing Director's Report was distributed to Council covering the following:

- Great American Clean Up
- Gain sharing
- Meeting of Blue Ribbon Panel, April 29 from 11 a.m. to 1 p.m. in the Penn Room

Mr. Waltman asked that members of the Council Finance Committee to attend the Blue Ribbon Panel meeting on April 29th.

Mr. Waltman requested that the administration install a mobile surveillance camera at the Reed and Washington area due to the chronic dumping that occurs at this area.

Municipal Trash Collection

Mr. Hottenstein explained the gain sharing approach.

Mr. Murin explained that the current AFSCME contract has a gain sharing provision that allows the exploration of cost savings by doing certain tasks and projects in house versus out sourcing.

Mr. Denbowski described the process to review and determine the study of certain service areas. He stated that the group has studied the redesign of trash collection at municipal buildings. He noted that various solutions resulted from the meeting process.

Mr. Reese noted that this is the first time city management and AFSCME have successfully found solutions beneficial to all parties. He noted the excitement of all involved in this process.

Mr. Fuhs congratulated the Committee.

Mr. Murin stated that trash removal from municipal buildings is estimated at \$127,862.00. The study has shown that retaining the service in house, with the proposed redesign, will cost \$77,436.00; \$50,426.00 less than the estimated operating cost period. The committee conducted time studies, interview of workers, gathered relevant documents, etc., to determine the needs of RAWA, DID, and Reading Parking Authority. He stated that keeping the service in house will preserve one and half city jobs.

Mr. Murin explained that the redesign of the collections service will provide the following:

- Continuation of service at the RAWA store yard at cost, which will eliminate the duplicate service provided by RAWA personnel
- Continued service at Ontelaunee by RAWA staff
- Continue the reimbursement of land fill fees for Ontelaunee trash by RAWA, but at a lower volume rate
- Discontinue the reimbursement of land fill fees by RAWA to the City for store yard service
- Retro fit two city compactors to handle dumpsters
- Eliminate the use of trash barrels at 16 city wide sites
- Purchase and place 17 dumpsters at the selected sites, which will reduce frequency of pick up service
- Discontinue the service at Easter Seal Offices, now provided by the City at no charge
- Continue City service to Camp Lily at no charge as provided in the lease agreement with Easter Seals and renegotiate the land fill fees based on volume

Mr. Waltman gave his appreciation for the group's effort to improve service and reduce costs by approximately forty percent.

Mr. Murin explained the group will next review vehicular towing and recycling collection services.

Ms. Goodman-Hinnershitz expressed her belief in the true benefit of having City workers

perform City work.

Mr. Marmarou noted he recently caught a citizen depositing his personal trash at 11th and Pike. He inquired if the placement of dumpsters at various sites would encourage this activity. Mr. Denbowski replied that the dumpsters will be locked and surveillance cameras will be installed to curtail this activity.

Mr. Spencer expressed his belief in the concept and the process. He also noted that this committee eliminates the need to pay a consultant to define solutions.

Mr. Reese explained the use of the penny fund to cover the cost associated with these service studies.

Maximus Report

Tim Close and Shelley Perry representing Maximus provided the company's history and stated that the fee study was performed in response to the City's RFP to calculate the full cost of services reflected for specific areas. Mr. Close explained that this is a cost study not an efficiency study. He also noted that police services were not included.

Mr. Close asked Council to thoroughly review pages 6-18 in the report which explains the approach and the application of the three fee types; subsidized, unsubsidized, and deterrent. He stated that this study will allow the legislative body to apply increases to various fee areas that can be supported by the study.

Mr. Spencer inquired about the life of the cost study report. Mr. Close replied that the City should undertake this activity every five to eight years. He also explained the difficulty of completing this cost study in house, as cost accounting is a specialized field that falls outside the scope of staff trained in municipal accounting. Mr. Waltman stated that this well done report will assist Council in reviewing service areas and their costs. He questioned the need for an efficiency study to go along with this report. Mr. Close stated that an efficiency study usually occurs before the cost study. He noted that the information in the appendix contains a breakout of personnel cost versus operational cost.

Mr. Fuhs inquired why an efficiency study should be done first. Mr. Close stated that the efficiency study provides an exploration of a service area as a whole with recommended reorganization plan. He noted that this study cannot be used to show efficiencies. Mr. Spencer inquired if the study includes input from staff on the rationale of the current fees. Mr. Close stated that, that information was used where it was available.

Mr. Spencer inquired if other cities generally adopt legislation to increase or decrease fees to the levels recommended in the report. Mr. Close replied that many do adjust fees to the recommended levels. Mr. Close explained the need to consider fees that should be subsidized by the tax payer and fees that should be covered by the user. He stated that Council may want to consider phasing increases in areas where the recommended increase is quite high.

Mr. Marmarou inquired if the evaluation of departments was not included in the study. Mr. Close stated that this report provides a cost study not an efficiency study.

Vacant Property Registration Ordinance

Mr. Waltman stated that this ordinance was drafted by Ms. Kelleher at his request in Fall 2008. He asked Ms. Kelleher to give a high level review of the ordinance.

Ms. Kelleher stated that this ordinance was modeled after ordinances currently in place in York and Wilmington. She stated that vacant building registration is used to promote the rehabilitation of vacant buildings. Under this ordinance registration is required for buildings that have been vacant for more than 45 consecutive days. Registration fees start at \$500 and phase up to \$5,000 a year for buildings that have been vacant for more than 10 years. She described the ability of the property owner to have the registration fee waived if the building's owner has shown good faith and effort to rehabilitate, demolish, or improve the building, or if the property owner has shown proof that they are actively marketing the property for reuse. Ms. Kelleher noted the need for the ordinance to also contain some type of "snow bird" provisions for property owners who only reside in the property for a certain number of months per year. Ms. Kelleher noted that this ordinance has already been reviewed and approved by the legislative aide committee.

Mr. Waltman suggested forwarding this ordinance for Public Safety Committee review.

Mr. Hottenstein stated that the administration supports this ordinance but suggested its delayed enactment until Codes staff gets the housing permit process under control.

Mr. Fuhs agreed with the proposed delay in the enactment of the ordinance.

Chief Heim described the attempt of Codes personnel to standardize and improve the efficiency of various Codes functions. Mr. Reinhart agreed that enactment should be delayed until Codes staff has mastered its current functions.

Ms. Goodman-Hinnershitz and Mr. Waltman suggested delaying Public Safety Committee

review until the ordinance is moved forward for enactment.

Mr. Sterner expressed the belief that the ordinance should be enacted now to address widespread deterioration of properties. He stated that this ordinance properly places responsible for the up keep of vacant properties on the property owner.

Chief Heim expressed the belief that vacant properties can be successfully managed using the property maintenance and health codes.

Rental Registration and Process

Chief Heim and Mr. Reinhart distributed a housing permit work flow chart and an update on the housing permit process. The total number of properties in the housing permit process is 7,033. Currently 571 properties have been placarded by Codes personnel for failure to enter the housing permit process or complete the housing permit process. Mr. Reinhart stated that Codes staff is no longer accepting partial packets from property owners. Incomplete packets are returned to the property owner with instructions to complete.

Mr. Reinhart expressed the belief that the business privilege license should be removed from the process, as Code staff does not have the ability to require it.

Ms. Goodman-Hinnershitz expressed the belief that the current provisions should stand as Codes has the ability to shut down the rental property until the application complies with the City's requirements.

Mr. Waltman expressed concern with the number of properties handed off to the Zoning office. Mr. Reinhart stated that currently Codes is waiting for a Zoning response on 1,522 properties.

Mr. Reinhart stated that Codes staff has identified 1,429 rental properties without permits, in addition to those properties identified by Council staff.

Mr. Spencer inquired about the length of time needed to bring rental properties into compliance. Mr. Reinhart stated that the Allentown approach applied an investigation ward by ward. Allentown did a ward by ward assessment of each property, which took over eight years.

Ms. Kelleher noted that Council has still not received the list of properties approved by the Administrative Hearing officer. Mr. Hottenstein stated that that information will be

provided at the May Work Session, along with a flow chart showing the zoning process used for rental properties.

Review of Business Privilege Tax Ordinance

Mr. Waltman stated that he is interested in reviewing the City's ability to amend the business permit ordinance to add a revocation provision. He stated that he asked Ms. Kelleher to undertake a research project to find examples of revocation provisions. He distributed the packet of information which includes the Act 511 City's current ordinance and samples from Harrisburg, Easton, and other United States cities. He asked Council to review this information for further consideration at the Finance Committee meeting.

Properties of Merit Areas

Ms. Kelleher stated that at the Blighted Property Review Committee meeting last week the committee discussed the formation of Properties of Merit areas. The committee decided that Properties of Merit areas should be designated in each of the six council districts. After a careful review of the Blighted Property map they decided to center the six Properties of Merit areas around main streets. Ms. Kelleher stated that the Blighted Property Review Committee recommends that the following areas be designated as Properties of Merit areas.

- Council District 1 - Park Avenue to Lancaster Avenue - Noble Street to the Lancaster Avenue Bridge.
- Council District 2 - Chestnut Street to South 16th Street - Cotton Street to the Haak Street
- Council District 3 - Oley Street to Walnut Street - North 13th Street to North 10th Street
- Council District 4 - Windsor Street to Perry Street - North 13th Street to North 10th Street
- Council District 5 - Schuylkill Avenue to city-line - West Douglass St to city-line
- Council District 6 - Washington St to West Greenwich Street - Schuylkill Avenue to North 4th Street

She stated that City Councilors should work to find at least three volunteers in each area to coordinate the program.

As no further business was brought forward, the work session was adjourned.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW-UP ISSUES

- Schedule Properties of Merit Community Reception
- AHO Agendas and listing of the rental properties approved
- Amendment to the Prop. Maintenance Code to allow ticketing system
- Flow Chart showing the rental registration process in zoning office
- Update on the rental housing issue
- Business Privilege Tax Revocation
- Fee Increase Review

RESOLUTION _____ - 2009

Authorizing City Council support of the National Health Insurance Act of 2009, as proposed by H.R. 676, and the Family and Business Health Security Act, as proposed by H.B. 1660 and S.B. 400

WHEREAS, every person in the City of Reading and the United States deserves access to affordable, quality healthcare; and

WHEREAS, over 47 million Americans, and thousands of residents in the City of Reading, live daily without healthcare coverage; and

WHEREAS, there are two Pennsylvania state single-payer healthcare bills, the Family and Business Health Security Act of 2009, now HB 1660 and SB 400, that would also reduce Reading's healthcare costs for its employees; and

WHEREAS, HR 676 and SB 400 will cover all medically necessary services, including primary care, inpatient care, outpatient care, emergency care, prescription drugs, durable medical equipment, long-term care, mental health services, dentistry, eye care, podiatry, chiropractic, and substance abuse treatment, and

WHEREAS, illnesses and medical debt annually cause 500,000 bankruptcies in the United States affecting two million people and an increasing number of home foreclosures are also associated with medical debt; and

WHEREAS, administrative costs and profits consume 30 percent of health care spending in the United States, with rising costs contributing to decreased international competitiveness and massive layoffs; and

WHEREAS, Americans spend double what other industrialized countries spend per person while they are covering all their citizens; and

WHEREAS, the City of Reading 2009 employee healthcare costs are approximately \$10 million.

THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF READING

That Council hereby expresses its support for the Family and Business Health Security Act of 2009, HB 1660 and SB 400, and calls upon Pennsylvania legislators to work towards their immediate enactment.

Adopted by Council _____, 2009

Vaughn D. Spencer
President of Council

Attest:

Linda A. Kelleher
City Clerk

Proposed Changes to the Rental Inspections Program by Eric Weiss

Date: February 3, 2009, based on our January 22, 2009 meeting
Presented to City Council February 17, 2009

1. Enter property information into Hanson regarding placarded (tagged unfit) properties during January 2009. This will require follow-up inspections to be carried out over the following month for approximately 75 properties to verify use and occupancy along with enforcement actions as needed. All tagged unfit properties found to be occupied will be prioritized for enforcement until complied or vacated.
2. Create Divisions of responsibilities of staff by program or specialty, similar to divisions among the lines of business of a corporation. This specialization will improve effectiveness while allowing for adjustments to staffing in each division as needed during the year in order to address fluctuations in the workload. By February 1, 2009, deploy inspections staff as follows:
 - a. 6 rental health & safety inspectors
 - b. 4 complaints inspectors
 - c. 2 illegal use inspectors
 - d. 2 “floating” inspectors to respond to temporary workload increases
 - e. 1 inspector handling health inspections
3. By April 1, 2009, to resolve the Housing Permits backlog problem, issue Housing Permits to approximately 1,500 owners who have applied and have had zoning verified. Defer the requirements for BPL and housing inspections on these properties to resolve the backlog and to clear the path for the commencement of the 5 year systematic inspections cycle. These Permits should indicate the conditions of issuance, that is: must be inspected, must comply with BPL requirements, etc.
4. Begin the 5-year, systematic rental inspections cycle by separating the Magisterial Districts into 5 one-year (2009 through 2013) geographic rental inspections areas. The number of rental dwelling units for inspection should be approximately equated each year and care should be taken not to overload challenging Districts into one year. This establishes goals and timetables with achievement expectations for administration, elected officials, staff, property owners and the general public and will transform the current reactive efforts into a proactive, mission-driven systematic process.
5. By June 30, 2009, to resolve the Rental Unit Invoices backlog, make the necessary ordinance amendments to establish a Registration provision for qualified rental units in chapter 11- Housing Rental. Registered Rental Units will be units documented by the City and based on the owner’s application and payment of a yearly fee. A unit will remain Registered, providing the yearly fee is paid, until a Rental Permit is issued when the unit is brought into compliance with all requirements in Chapter 11 following inspection during the five (5) year inspections cycle. The Registration does not

warrant the zoning, safety, condition or habitability of these units. It merely documents the owner's application for inclusion of the units(s) in Reading's Rental Unit Permitting process.

In resolving the invoice backlog, the 2008 and 2009 Rental Unit Invoices for units that are in compliance should be sent as Rental Permit Fee invoices. Rental units for which compliance is pending or units that have not been brought into compliance with the Rental Housing Ordinance requirements, should have 2008 and 2009 invoices sent as Rental Registration Fee invoices.

2007 Rental Fee Invoices, already in progress, can remain as Rental Permit Fee Invoices.

This will bring the rental billing cycle current without mandating all units be in compliance with all requirements while allowing Registered Units to remain Registered until they are included in the five (5) year inspection cycle and achieve their Rental Permit.

6. List all permitted rental units on a Master Rental Permit posted in a common area (lobby) of every rental property. The permit will list all legal units identifying them by number or letter or location (example: 2nd floor rear). This will document the permitted allowable rental units in every rental building at an accessible location open to public view.

Additional Programmatic Changes:

1. By April 1, 2009 institute Sweep Ticketing Program. Sweep Ordinance is being revised to include all anticipated violations to be addressed by the ticketing process. The process initially will be by standard ticket book issuance similar to the Allentown Program. Potential benefits to using hand-held computers for ticketing will be looked into. Consortium of Code Officials in Reading, Allentown, Bethlehem and Easton has been formed and will best practice solutions, including the Sweep Ticketing Program, to common code problems among the cities.
2. By January 2009 decide on, measure staff size requirements, purchase and issue uniforms to inspectors. The inspectors "uniforms" will be khaki pants and a button down shirt rather than either a more law enforcement officer or a more maintenance worker style uniform. Projected first day for uniforms to be worn is the middle of February.
3. Zoning files are the City's official record of a property's legal allowable use. Having clear, complete, official municipal records of every property's allowable use is essential to a City's success by several measures. It is recommended that a sufficient number of staff be assigned to investigate and resolve issues of allowable uses for properties in rental inspections yearly geographic workload prior to

inspections. Consider fee increases for rental housing permits and/or zoning applications to cover additional staff to verify allowable use and to gain compliance of zoning violations. Maximus Company is evaluating Reading's fee structure. We can review the Maximus draft when it is ready.

Additional note:

Look into the optimal use of State Act 97 by putting a procedure in place to have fire inspectors gather fire insurance coverage information at every fire response and transfer this information to a program coordinator who will assure that insurance providers adhere to the provisions of Act 97 by escrowing with the City Treasurer the required portion of the insurance proceeds. Compliance signed off by the Building Inspections staff when the CO is issued following building restoration should be required prior to release of these funds to the owner/insured. If the owner/insured balks or fails to restore the building, the City should proceed to use the escrowed funds for the repairs. If no insurance is in place at the time of the fire, public nuisance abatement procedures using public funds should be employed to repair the building damage to at least a condition that will not allow further deterioration nor negatively impact surrounding properties. Code enforcement action, blighted property review procedures or municipal lien execution should follow until the fire damaged building is restored.

PART 5

BUSINESS PRIVILEGE TAX

A. Business Privilege Tax Ordinance

§24-501. Short Title.

This Part shall be known as the "Business Privilege Tax Ordinance."

(Ord 52-1975, 12/3/1975, §I)

§24-502. Definitions.

As used in this Part, certain terms are defined as follows except where the context clearly indicates a different meaning:

BUSINESS - any activity carried on or exercised for gain or profit in the City including, but not limited to, the sale of merchandise or other tangible personalty or the performance of services and the rental of personalty and/or realty.

CALENDAR YEAR - the period January 1 to December 31, inclusive.

CITY - the City of Reading.

LICENSE YEAR - the period from January 1 to December 31, inclusive.

PERSON - any individual, partnership, limited partnership, association, firm or corporation. Whenever used in any clause prescribing or imposing a penalty, the term "person" as applied to associations shall mean the partners or members thereof, and as applied to corporations, the officers thereof.

TAXPAYER - a person subject to the payment of the tax imposed by this Part.

TAX MANAGER - the person duly appointed by Council to administer the tax.

TAX YEAR - the period from January 1 to December 31, inclusive.

TREASURER - the Director of Finance of the City of Reading.

WHOLESALE DEALER or WHOLESALE VENDOR - any person who sells to dealers in or vendors of goods, wares and merchandise and to no other person.

(Ord 52-1975, 12/3/1975, §II; as amended by Ord. 14-2001, 5/29/2001)

§24-503. Tax Levied; Rate; Business Volume Computed; Exemptions.

There is hereby levied for the tax year 1976 and annually thereafter a tax for general revenue

purposes on the privilege of doing business as herein defined in the City as follows:

A. Rate and Basis of Tax. The rate of the tax on each dollar volume of gross annual receipts of every person engaged in occupations or business in the City shall be 1½ mills, 1½ mills shall mean \$1.50 per \$1,000 volume of gross annual receipts, except that the rate of the tax on each dollar volume of gross annual receipts by wholesale dealers or wholesale vendors engaged in business in the City shall be 1 mill. All nonwholesale businesses of such wholesale dealers or wholesale vendors shall be taxed at the general rate of 1½ mills. [Ord. 10-2007]

B. Computation of Volume of Business.

(1) Every person subject to the payment of the tax hereby imposed who has commenced his business prior to the full calendar year prior to the tax year shall compute his annual estimated gross volume of business upon the actual gross amount of business transacted by him during the immediately preceding calendar year.

(2) Every person subject to the payment of the tax hereby imposed who has commenced or who commences his business before the beginning of the tax year but after the beginning of the full calendar year prior to the tax year, shall compute his estimated annual gross volume of business for the tax year upon the gross volume of business transacted by him during prior calendar year, taking the monthly average during such period and multiplying the same by 12. In the event that he shall be in business fewer than 90 days in the prior calendar year, he shall be permitted to use sufficient days in calendar year in which the tax year begins to equal 90 successive days after commencement of business, to take a monthly average thereon, and to multiply the average by 12.

(3) Every person subject to the payment of the tax hereby imposed who has commenced or commences his business subsequent to the beginning of the tax year, if there shall be less than 3 months from the commencement of his business to the end of the tax year, shall compute his annual gross volume of business upon the actual gross amount of business transacted by him during the tax year; if there shall be more than 3 months from the commencement of his business to the end of the tax year he shall compute his estimated gross volume of business for such tax year upon the gross volume of business transacted by him during the period from the commencement of his business to the end of the tax year, taking the monthly average during the first 3 months of business and multiplying the same by the number of months from the commencement of business to the end of the tax year.

(4) Every person subject to the payment of the tax hereby imposed who engages in a business temporary, seasonal or itinerant by nature, shall compute his estimated gross amount of business to be transacted by him for the period such person engages in such temporary, seasonal or itinerant business within the City by a method to be determined by the Tax Manager.

(5) The Tax Manager is hereby authorized to accept payment under protest of the amount of business privilege tax claimed by the City in any case where the taxpayer disputes the validity or amount of the City's claim for tax. If it is thereafter judicially determined by a court of competent jurisdiction that the City has been overpaid, the amount of the overpayment shall be refunded to the taxpayer. The provisions of this section shall be applicable to cases in which the facts are similar to those in a case litigated in a court of competent jurisdiction.

(6) Payments made under the mercantile license tax for business to which this tax is applicable shall be credited to this tax and vice versa.

C. Persons, Business and Receipts Exempted.

(1) **Persons and Businesses.** Persons employed for a wage or salary, nonprofit corporations or associations organized for religious, charitable or educational purposes, agencies of the government of the United States or of

the Commonwealth of Pennsylvania and the business of any political subdivision, or of any authority created or organized under and pursuant to any act of assembly are exempt from the provisions of this Part.

(2) No such tax shall be assessed and collected on a privilege, transaction, subject, or occupation which is subject to a State tax or license fee, and which tax or license fee has been held by the Courts of Pennsylvania to be the basis for exemption from the imposition of a business privilege tax by a municipality.

(3) **Utilities.** No such tax shall be assessed and collected on the gross receipts from utility service of any person or company whose rates of service are fixed and regulated by the Pennsylvania Public Utility Commission; or on any public utility service rendered by any such person or company or on any privilege or transaction involving the rendering of any such public utility service.

(4) **State Tax on Tangible Property.** No such tax shall be assessed and collected on the privilege of employing such tangible property as is subject to a State tax except on sales of admission to places of amusement or on sales or other transfers of title or possession of property.

(5) **Production and Manufacture.** No such tax shall be assessed and collected on goods, articles and products, or on by-products of manufacture, or on minerals, timber, natural resources and farm products manufactured, produced or grown in the City, or on the preparation or processing thereof for use or market, or on any privilege, act or transaction relating to the business of manufacturing, the production, preparation or processing of minerals, timber and natural resources or farm products, by manufacturers, producers and farmers with respect to the goods, articles and products of their own manufacture, production or growth or any privilege, act or transaction relating to the business of processing by-products of manufacture or on the transportation, loading, unloading, dumping or storage of such goods, articles, products or by-products.

D. Determination of Gross or Whole Volume Business. Gross or whole volume of business upon which the tax hereunder is computed shall include the gross consideration credited or received for or on account of sales made, rentals and/or services rendered, subject only to the following allowable deductions and exemptions:

(1) The dollar volume of business transacted by wholesale and retail dealers derived from the resale of goods, wares and merchandise taken by any dealer as trade-in or as part payment for other goods, wares and merchandise, except to the extent that the resale price exceeds the trade-in allowance.

(2) Refunds, credits or allowances given by a taxpayer to a purchaser on account of defects in goods, wares or merchandise sold, or on account of goods, wares or merchandise returned.

(3) Any commissions paid by a broker to another broker on account of a purchase or sales contract initiated, executed or cleared with such other broker.

(4) Bad debts, where the deduction is also taken in the same year for Federal income taxation purposes.

(5) Taxes collected as agent for the United States of America, Commonwealth of Pennsylvania or the City.

E. Partial Exemptions. Where gross or whole volume of business in its entirety cannot be subjected to the tax imposed by this Part by reason of the provisions of the Constitution of the United States or any other provision law, the Tax Manager with the approval of Council shall establish rules and regulations and methods of allocation and evaluation so that only that part of the gross or whole volume of business which is properly attributable and allowable to doing business in the City shall be taxed hereunder.

F. Rate When Same Tax is Imposed by Two Taxing Bodies. If any person is liable for the same tax on the same subject imposed under the Local Tax Enabling Act 1965, December 31, P.L. 1257 and its amendments, to the City and one or more political subdivisions of the State, then and in that event the tax shall be apportioned by such percentage as may be agreed upon by such political subdivisions, but, in no event, shall the combined taxes of both subdivisions exceed a maximum rate of tax as fixed by the Enabling Act permitting the imposition of such taxes.

G. Records. The taxpayer, to obtain the foregoing enumerated exclusions and deductions, shall keep books and records of his business so as to show clearly, accurately and separately the amount of such sales and services as are excluded from the tax and the amounts of such sales and services which he is entitled to deduct from the gross volume of business as hereinbefore provided.

(Ord 52-1975, 12/3/1975, §III; as amended by Ord. 14-2001, 5//29/2001; and by Ord. 10-2007,

1/22/2007, §1)

§24-504. Returns; Payment; Interest Penalty.

1. Every return shall be made upon a form furnished by the Tax Manager. Every person making a return shall certify the correctness thereof by affidavit.

2. Every person subject to the tax imposed by this Part who commenced his business on or before January 1 of the full calendar year previous to the beginning of any tax year shall on or before February 15 of the tax year file with the Tax Manager a return setting forth his name, his business, business address and such other information as may be necessary in arriving at the actual gross amount of business transacted by him during the preceding calendar year, and the amount of the tax due.

3. Every person subject to the tax imposed by this Part who has commenced his business before the beginning of the tax year but after January 1 of the full calendar year previous to the beginning of the tax year shall on or before February 15 of the tax year file with the Tax Manager a return setting forth his name, his business, business address and such

other information as may be necessary in arriving at the estimated gross amount of business transacted by him as calculated under §24-503(B)(2) and the amount of tax due, provided 100 days have elapsed from the commencement of the business to February 15 of the tax year. If a taxpayer has not been in business for 100 days as of February 15 of the tax year, whether or not he commenced business within the tax year, his return shall be filed within 100 days of the commencement of his business.

4. Every person subject to the payment of the tax imposed by this Part who engages in a business temporary, seasonal or itinerant by its nature shall at the time application is made for the business privilege license file a return with the Tax Manager setting forth his name, his business, his business address and such information as may be necessary in arriving at the estimated gross amount of business to be transacted by him as calculated in accordance with §24-503(B)(4).

5. **Going Out of Business.** Any person going out of or ceasing to do business shall, within 7 days from the date of ceasing to do business, file a return showing the actual gross volume of business conducted and done by such person during the tax year in which such person ceased doing business, and pay the tax due as computed thereon at the rate herein provided for at the time of filing such return. If such tax has been previously paid based upon estimated gross receipts, the taxpayer shall be entitled to a refund, without interest, of any excess tax paid for the tax year in which business was terminated.

6. **Payment of Tax and Penalties for Late Payment.** The business privilege tax levied pursuant to this Part shall be due and payable on the date on which the taxpayer is required to file a return as set forth above. If the tax is paid within two months after the due date a discount of 2% shall be allowed. All taxpayers who shall fail to pay the tax for 4 months after the due date, shall be charged a penalty of 10% plus an additional 1% per month or fractional part of a month, commencing with the penalty period, until the tax is paid. [*Ord. 49-1976*]

7. **Receipt.** The City Director of Finance shall, upon payment to him of the business privilege tax, give the person paying the same a receipt therefor.

(*Ord. 52-1975, 12/3/1975, §VI; as amended by Ord. 49-1976, 12/22/1976, §§1-4; and by Ord. 14-2001, 5/29/2001*).

§24-505. License.

As of January 1, 2003, any person desiring to conduct or to continue to conduct any business,

as herein defined, within the City shall file with the Tax Administration Manager, an application for a business privilege license and shall pay a fee of \$35 for the initial license and

\$35 for each renewal thereof. EXCEPT, that any person with whole or gross volume of business

transacted within the territorial limits of the City less than \$600 for any given year shall pay a

fee of \$15.

(*Ord. 52-1975, 12/3/1975, §V; as amended by Ord. 96-1986, 12/10/1986, §1; by Ord. 26-1997,*

11/24/1997, §1; and by *Ord. 67-2002, 12/9/2002, §1*)

§24-506. Posting Licenses.

The license issued shall be conspicuously posted in the place of business for which the license is issued, and shall remain in effect for the license year or fraction of year for which such license was issued. In cases where more than one place of business is conducted, a separate license shall be issued for each place of business. Any taxpayer who is in default in payment of tax due hereunder shall be refused a license until such tax is paid in full.

(*Ord. 52-1975, 12/3/1975, §VI*)

§24-507. Penalty.

1. Whoever conducts, transacts or engages in any of the businesses subject to the tax imposed by this Part, without having first secured a business privilege license for the year, or who fails to file a tax return as required by the provisions of this Part or who willfully files a false return, or who fails to maintain such records and books of account as shall enable him to make a true and correct return in accordance with the provisions of this Part, or any person or persons subject to, or supposed to be subject to, the tax imposed by this Part who refuses to allow the Tax Manager or his deputies to examine the books, papers and records of any such person or persons or who fails to comply with any other provisions of this Part shall be, upon conviction thereof, sentenced to pay a fine of not more than \$600 plus costs and, in default of payment of said fine and costs, to a term of imprisonment not to exceed 30 days.

2. Each day on which such person violated this Part may be considered as a separate offense and punishable as such as aforeprovided.

(*Ord. 52-1975, 12/3/1975, §VII & VIII; as amended by Ord. 53-1984, 6/20/1984, §1; and by Ord. 14-2001, 5/29/2001*)

§24-508. Duties of Tax Manager and City Director of Finance.

1. The City Director of Finance is charged with the duties of collecting and receiving the taxes, fines and penalties imposed by this Part. It shall be his duty to keep a record showing the amount received by him from each person paying the tax and the date of such receipt.

2. The Tax Manager and his duly appointed deputies under the direction of the Director of Accounts and Finance are hereby empowered with the approval of Council to prescribe, adopt and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this Part, including provisions for the examination and correction of returns and payments alleged or found to be incorrect, or as to which an overpayment is claimed or found to have occurred, and charged with enforcing the provisions of this Part and any rules and/or regulations promulgated pursuant hereto.

3. In the event the person to be assessed neglects or refuses to make a return, then in such case the Tax Manager or his duly appointed deputies shall assess such person or persons on such an amount of whole or gross volume of business as the Tax Manager or his deputies deem reasonable and appropriate. In all cases of assessment, the Tax Manager or his duly appointed deputies shall give the parties assessed a notice in which shall be stated the trade, business, occupation or class, and the amount of the business privilege tax imposed or levied.

4. The taxpayer shall maintain such records and books of account as shall enable him to make a true and accurate return in accordance with the provisions of this Part. Such

accounts and records shall disclose in detail the gross receipts and other data pertaining to the taxpayer's gross volume of business, and shall be sufficiently complete to enable the Tax Manager or his deputies to verify all transactions. The Tax Manager or his deputies are hereby authorized to examine the books, papers and records of any person or persons subject to or supposed to be subject to the tax imposed by this Part, in order to verify the accuracy of the return made, or if no return was made, ascertain the tax due.

5. Any person aggrieved by any decision of the Tax Manager shall have the right to appeal to the Court of Common Pleas, as in other cases.

(*Ord. 52-1975, 12/3/1975, §IX; as amended by Ord. 14-2001, 5/29/2001*)

§24-509. Confidential nature of Information.

Any information gained by the Tax Manager or any other official, agent or employee of the City, as a result of any returns, investigations, hearings or verifications required or authorized by this Part, shall be confidential, except in accordance with proper judicial order or as otherwise provided by law.

(*Ord. 52-1975, 12/3/1975, §X; as amended by Ord. 14-2001, 5/29/2001*)

§24-510. Suit on Collection; Costs.

1. The Tax Manager or his duly appointed deputies shall have the power in the name of the City to institute proceedings against any and all persons who violate the provisions of this Part.

2. If for any reason the tax is not paid when due and suit is brought for the recovery of any such tax, the person liable therefor, shall, in addition, be liable for the costs of collection and interest and penalties herein imposed.

(*Ord. 52-1975, 12/3/1975, §XI; as amended by Ord. 14-2001, 5/29/2001*)

§24-511. Savings Clause; Separability.

1. Nothing contained in this Part shall be construed to empower the City to levy and collect the taxes hereby imposed on any person, or any business, or any portion of any business not within the taxing power of the City under the Constitution of the United States and the laws and Constitution of the Commonwealth of Pennsylvania.

2. If the tax, or any portion thereof, imposed upon any person under the provisions of this Part shall be held by any court of competent power or jurisdiction to be in violation of the Constitution of the United States or of the Commonwealth of Pennsylvania or any other provision of the law, the decisions of the court shall not affect or impair the right to impose the taxes, or the validity of the taxes so imposed upon other persons as herein provided.

3. The provisions of this Part are severable, and if any of its provisions shall be held illegal, invalid or unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions of this Part. It is hereby declared to be the intention of Council that this Part would have been adopted if such illegal, invalid or unconstitutional provisions had not been included herein.

(*Ord. 52-1975, 12/3/1975, §XII*)